

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 17972 01 OF 02 211801Z

42

ACTION EB-03

INFO OCT-01 SS-14 ISO-00 EUR-08 L-01 NSC-05 NSCE-00 SP-02

INR-05 CIAE-00 /039 W

----- 112576

R 211748Z NOV 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 6775

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 17972

LIMDIS

E.O. 11652: L/A

TAGS: EAIR, UK

SUBJ: CIVAIR - US/UK TALKS ON AIRPORT AND AIRWAYS USER
CHARGES

REF: LONDON 17853

1. IT SEEMS TO US THAT BRITISH HAVE CASE ON COST BASIS FOR SOMEWHAT HIGHER LANDING FEE ON INTERCONTINENTAL FLIGHTS THAN EUROPEAN FLIGHTS. IF IT IS TRUE, AS SEEMS REASONABLE, THAT TURN AROUND TIME FOR INTERCONTINENTAL FLIGHTS IS LONGER AND MORE GATES PER FLIGHT THEREFORE ARE NECESSARY, AND THAT INTERCONTINENTAL PASSENGERS HAVE MORE BAGGAGE AND SPEND A GREATER TIME IN TERMINAL FACILITIES, THEN HIGHER CHARGE WOULD NOT BE DISCRIMINATORY. HOWEVER, WE ARE SKEPTICAL THAT SUCH HIGHER COST WOULD JUSTIFY PRESENT 2 TO 1 RATIO OF CHARGES. MORE COMPLETE DATA ON AIRCRAFT TURNAROUND TIME AND GATES UTILIZED AS WELL AS BAGGAGE AND PASSENGER PROCESSING DIFFERENCES MIGHT SUGGEST WHAT HIGHER LEVEL MIGHT BE ACCEPTABLE AS NON-DISCRIMINATORY.

2. AS REGARDS TERMINAL AIR NAVIGATION CHARGES, THERE IS NO SUBSTANTIAL BASIS TO ARGUE FOR A DIFFERENTIAL ON THE BASIS OF COST AND THE BRITISH HAVE NOT TRIED SERIOUSLY

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 17972 01 OF 02 211801Z

TO DO SO. THEY DO HOWEVER TAKE THE POSITION THAT DIFFER-

ENTIAL BETWEEN CHARGES FOR DOMESTIC AND INTERNATIONAL FLIGHTS IS PERMISSIBLE UNDER ARTICLE 15 OF CHICAGO CONVENTION PROVIDED FOREIGN AIRCRAFT ARE NOT CHARGED MORE THAN NATIONAL AIRCRAFT ENGAGED IN SIMILAR INTERNATIONAL OPERATIONS. BRITISH CHARGING FORMULA, OF COURSE, MEETS THIS CONDITION. WHILE WE ARGUED TO THE CONTRARY (PARAGRAPHS 6 AND 7 OF STATE 271539) AND RETURNED TO FACT THAT FCPA MAKES NO SUCH PROVISION (PARAGRAPH 8), WE DO NOT FIND OUR OWN ARGUMENTS ON INTERPRETATION OF ARTICLE 15 AS RELATED TO A DIFFERENTIAL BETWEEN CHARGES ON DOMESTIC AND INTERNATIONAL FLIGHTS AT ALL PERSUASIVE. IF BRITISH ARGUMENT IS CORRECT, THEN ONLY BASIS ON WHICH BRITISH WOULD BE VULNERABLE WOULD BE IF CHARGES WERE FOUND TO BE EXCESSIVE AND U.S. HAS NOT MADE SUCH A FINDING.

3. ON THIRD INSTANCE WE HAVE CITED (DEFINITION OF EUROPEAN FLIGHTS), WE BELIEVE BRITISH RECOGNIZE THEIR POSITION IS RATHER WEAK.

4. AS WE HAVE NOTED, BAA FEE SCHEDULE FOR NEXT SEASON IS BEING FORMULATED AND THERE HAVE BEEN INTIMATIONS THAT BRITISH MAY BE WILLING TO MAKE SOME CHANGES WHICH, WHILE NOT COMPLETELY ELIMINATING THE PRACTICES WE HAVE COMPLAINED ABOUT, WOULD AT LEAST AMELIORATE THEIR EFFECTS. THE PROBLEM, OF COURSE, IS THAT THE BRITISH HAVE NO INCENTIVE TO MAKE ANY CHANGE TO TRY TO ACCOMMODATE THE U.S. IF THEY BELIEVE THAT NOTHING LESS THAN FULL SATISFACTION OF OUR DEMANDS WOULD LEAD US TO DROP OUR CHARGES AGAINST THEM.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 17972 02 OF 02 211804Z

42

ACTION EB-03

INFO OCT-01 SS-14 ISO-00 EUR-08 L-01 NSC-05 NSCE-00 SP-02

INR-05 CIAE-00 /039 W

----- 112677

R 211748Z NOV 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 6776

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 17972

LIMDIS

5. ALL OF THIS LEADS US TO WONDER WHETHER MATTER MIGHT BE RESOLVED TO MEET REQUIREMENTS OF FCPA IF BRITISH, IN FORMULATING NEW CHARGES, WERE TO MAKE SOME REDUCTION IN LANDING FEE DIFFERENTIAL TO LEVEL WHICH COULD BE JUSTIFIED ON COST BASIS AND MEET OUR THIRD POINT BY REDEFINING INTERCONTINENTAL FLIGHTS TO COVER ONLY FLIGHTS WHICH ORIGINATE ON A CONTINENT OTHER THAN EUROPE, WITH U.S. GIVING UP SECOND POINT UNLESS WE HAVE SOME BETTER ARGUMENT RE BEARING OF CHICAGO CONVENTION. IF SUCH A COMPROMISE WERE ACCEPTABLE, IT WOULD HAVE TO BE COMMUNICATED TO THE BRITISH VERY QUICKLY TO BE CONSIDERED BEFORE NEW BAA FEE SCHEDULE IS ADOPTED.

6. IT MIGHT BE USEFUL FOR DEPARTMENT TO HAVE OUR VIEWS ON LIKELY BRITISH REACTION IN THE EVENT THE U.S. ACTUALLY WERE TO IMPOSE COMPENSATORY CHARGES AGAINST BRITISH CARRIERS IN THE U.S. WE BELIEVE THE BRITISH WOULD IMMEDIATELY TAKE THE MATTER TO ICAO. WE DO NOT KNOW WHAT, IF ANY, ACTION ICAO MIGHT TAKE BUT WE BELIEVE THE BRITISH PROBABLY COULD GENERATE SIGNIFICANT INTERNATIONAL SUPPORT FOR THEIR CASE. SECONDLY, THEY WOULD BE LIKELY TO IMPOSE OFFSETTING PENALTIES AGAINST U.S. AIRLINES. RECENT UK COURT DECISIONS WOULD INDICATE THAT THE UKG HAS VIRTUALLY UNFETTERED POWER TO DO THIS. FINALLY, THEY

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 17972 02 OF 02 211804Z

MIGHT VERY WELL BE LED TO DENOUNCE OUR BILATERAL AIR SERVICES AGREEMENT. THERE ARE ALREADY STRONG PRESSURES ON AND WITHIN THE UKG TO RENEGOTIATE THAT AGREEMENT. REPRISALS AND COUNTER REPRISALS OVER USER CHARGES WOULD CERTAINLY INTENSIFY THOSE PRESSURES AND COULD LEAD TO A DECISION TO SCRAP THE WHOLE AGREEMENT.

RICHARDSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, LANDING TAXES, AIRPORTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 NOV 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON17972
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750406-0657
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751121/aaaaasea.tel
Line Count: 160
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: LIMDIS
Reference: 75 LONDON 17853
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 01 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 JUL 2003 by ShawDG>; APPROVED <06 NOV 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - US/UK TALKS ON AIRPORT AND AIRWAYS USER CHARGES
TAGS: EAIR, UK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006